DEVELOPMENT POLICY FORUM

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IMPLEMENTING AGENDA 2030

NO MONEY, NO SDGS

REPORT

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SDGS NEED MONEY – AND PROJECTS THAT CAN ATTRACT THAT MONEY

Taking in a range of issues from gender equality to climate change, the UN's Agenda 2030 is deep and broad. Achieving the 17 Sustainable Development Goals (SDGs) and 169 targets will require wider, greater contributions that the UN's previous targets, the Millennium Development Goals.

With budgets in western, donor governments – long the biggest source of official development assistance (ODA) – under pressure, implementation of the goals will depend on new ways to mobilise financing, participants told a Friends of Europe debate on 14 June. Beyond the West, contributions could come from a new range of donor countries that have achieved big leaps in economic development in recent decade, such as China, Turkey and South Korea. Financing from the private sector will be increasingly important too. And civil society could play a greater role, in promoting stability and monitoring progress. The challenge is to mobilise these actors.

"The question people are asking all over the world is: Is it serious?" said **David Nabarro**, United Nations Special Adviser on the 2030 Agenda for Sustainable Development, who said he was speaking on behalf of UN Secretary General Ban Ki-moon. "The answer is yes. We are treating it as a manifesto for the future of the world and its people – to sustain life as we know it for coming generations. Every company, every investment house has to see that it is their responsibility to advance this. You can't excuse yourself from participating."

Though the SDGs are not arranged in a hierarchy, **Li Yong** – Director General of the United Nations Industrial Development Organisation (UNIDO) – emphasised the importance of number nine: "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation." Much of the funds for this will come in the form of foreign direct investment (FDI) rather than ODA – and FDI has, in any case, become far larger. "For many years ODA played an indispensable role in helping countries move out of the poverty trap," Li said. "Now, UNIDO has strongly proposed that FDI should be one of the focuses to help us generate financing for development."

There is a huge demand for infrastructure in Asia, said **Wei Wenfeng**, Associated Research Fellow at the China Institute for Reform and Development. "According to an old Chinese expression, if you want to get rich you have to build a road first. We used to travel five hours to reach the capital city of our province,

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Li Yong, Director General of the United Nations Industrial Development Organisation

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but now it probably takes only two hours and it will be less in a few years. This helps a lot with local development." Other essential parts of infrastructure are a power supply, telecommunications and Internet connections. "When these less-developed regions have access to the market and to information, then they have better opportunities," he said.

PROJECTS, STABILITY NEEDED TO MOBILISE MONEY

The SDGs will need a lot of money: Nabarro put the figure at somewhere between $2-3tn. But it is crucial to find creative means to induce private investment. "What makes the private sector want to engage in new markets to contribute to development?" asked **Kristian Ruby**, Chief Policy Officer of WindEurope. "It's about creating development but at a less institutional level. It's about adding resources and know-how. Rather than thinking about getting money for capacity building, maybe it's best to cut to the chase and make capacity building happen."

One example from Denmark is the development of wind as a source for electric power. Currently, experts from the Danish national grid and Vestas, a maker of wind turbine equipment, are on a world tour, explaining how Denmark has managed to get a 40% wind mix in its electricity grid. "Most people round the world don't believe this is happening," Ruby said. "We are doing it every day in Denmark. This is an example of making available and using public knowledge for capacity building."

Personal remittances from workers in industrialised countries are a big source of money for the developing world. But these mainly go to help individuals. "Resources are not lacking for developing countries," said **Marie Chantal Uwitonze**, Founder of the African Diaspora Network-Europe. "But it is difficult to channel remittances because they are peer to peer. So when I send money to my family, much of it goes towards day-to-day needs. But if you take Congo, it has lots of natural resources but you don't have roads that go to the mines."

Before the private sector risks money in a new country, it needs to be assured about the investment environment. "If the obstacles to investment are not being taken care of, we will never deliver the trillions that we heard about," said **Constance Kann**, Director for Institutional Relations and Public Affairs at the European Investment Bank (EIB). "So policies that enable investment are critically important." **Charlotte Wolff-Bye**, Vice President for Sustainability at Statoil, said the private sector wants to invest in bankable projects, but first needs support. "How can we de-risk projects in developing countries?" she asked. "How can I find those bankable projects?"

Some multinationals have been discouraged from operating in developing countries, because of the differences from their home countries. "The role of civil society is to help make the last mile," said **Dania Tondini**, EU Affairs Official at the AVSI Foundation in Italy. "What we lack most are skilled workers. A lot of companies don't find the workers that they need."

One approach is to think about ODA as an enabler of project financing, rather than using it to finance projects itself. "The issue is to modify the trajectory of public policies," said **Yves Guicquero**, Head of the Development Agenda and International Partners Division of the Agence Française de Développement. "The role of ODA should be to trigger decisions to make sustainable investments."

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ODA NEEDS TO BE FOCUSSED

That means tighter control of what ODA gets spent on – something that could prove politically tricky, said **Claus Sørensen**, Hors Classe Adviser at the European Commission European Political Strategy Centre. "I hope that when we look at ODA, we go for good governance and sound legal systems – that we make sure there is less corruption and that we educate the people who work in ministries of finance," he said. "That is more important than using ODA to build a motorway from the airport to the presidential palace. But when you say this, there are also political dimensions." Failure to boost the economies of fragile countries could have fatal consequences among their young populations. "If they don't have jobs, then they have another business model – which is the Kalashnikov, which is fundamentalism."

Examples abound of the need for better governance. When sending produce from Harare to Chicago, the first leg – from Harare to Cape Town – costs more than the remaining part of the journey, said **Peter Moors**, Chief of Staff for Development Cooperation in the Cabinet of Belgium's Minister for Development Cooperation, Digital Agenda and Telecommunications. In the Democratic Republic of the Congo (DRC), 65% of young children have permanent brain damage because of stunting, he said. "They will not be able to be successful at school; will not be able to compete in a digital economy; will not be able to learn throughout their lives. Congo has received billons in ODA," he said. "This is not about money. It's about leadership and political reform. The money will follow, and it will come from the private sector, not the other way round."

Poor health does not only ruin lives, it also slows development. **Martin Bernardt**, Sanofi's Vice President for International Relations, quoted a study that estimated the global economic

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impact of the five leading chronic diseases -- cancer, diabetes, mental illness, heart disease, and respiratory disease – at $47tn over 20 years. That matches Sanofi's experience: Worldwide, 66% of its business comes from treating chronic conditions. The third SDG is to "ensure healthy lives and promote well-being for all at all ages," but this needs new structures, he said. "In health, we have failed to build resilient healthcare systems. That's exactly what happened with the Ebola crisis. We are able to build silos for HIV, AIDS, TB and malaria, and these bring concrete results. But now we see that with chronic conditions that doesn't work."

NEWLY INDUSTRIALISED COUNTRIES START TO HELP

UNIDO has developed a type of assistance package called the Programme for Country Partnership (PCP), under which recently industrialised countries can pass on lessons to less-developed countries. The first two pilot countries in the PCP were Senegal and Ethiopia. Thailand started working with Senegal after that country's 2012 presidential election, said **Busaya Mathelin**, Thailand's Ambassador to the EU. "Thailand's experience is that economic growth and real sustainable development start at home," she said. "They come from within – from the determination of the government to implement what is good for the country. If there is an international role for developing countries like mine, it is a supplementing role: encouraging more capacity building in areas such as tax reform, good governance, the rule of law, fighting corruption. That is the only way that we can achieve the SDGs."

Stability is also one of the prerequisites for PCP selection, said Li. "Senegal and Ethiopia have strong leaders committed to development," he said. "Now they are creating thousands of jobs. Young people have jobs and are supporting their families. This also affects the migration issue: Two-thirds of migrants come not from conflict countries, but from other parts of Africa. If people have jobs, they will not move. So this contributes to solve the problems of migrants and refugees."

THE IMPORTANCE OF MONITORING PROGRESS

Along with greater private sector participation, governments need to ensure that development addresses poverty and includes universal social protection, said **Deirdre de Burca**, Director of Advocacy at the World Vision International EU Representative Office. "The key question is: Is it appropriate for a global and transformative agenda like this to rely on private finance? The answer from civil society organisations is no," she said. "It requires the involvement of states in terms of regulating and legislating. There is a lot of public concern about the extent to which the private sector has the ear of governments and has more clout and leverage than other actors."

One way to monitor execution of the SDGs is to involve parliaments. National parliaments have long played that role, and the European Parliament keeps a close watch over the European Commission, said **Elly Schlein**, a Member of the European Parliament's Committee on Development. "The parliaments – national and European – can make governments accountable for progress on the SDGs, so that they don't just cherry-pick only a couple of goals that are OK with the government and not the other ones."

As well as extending the range of development goals, the SDGs also appear to have even more hanging on them than the Millennium Development Goals. "The lack of access to sustainable jobs is really significant," said Nabarro. "The foreign minister of Tunisia said that since the shooting in the tourist resort, the government has problems with an inability to provide employment for young men – and this creates a security challenge for the country." Moderator **Shada Islam**, Director of Policy at Friends of Europe, said: "The SDGs are really about security. We talk about them as sustainable development, but they are really sustainable security and development goals, because that nexus is so clear."

A key to achieving the goals will be to think more broadly. "I think one of key success factors will be when we start breaking silos," said **Gisela Payeras**, Director of Government Affairs, Emerging Markets and Asia Pacific at GlaxoSmithKline (GSK). "Some of the most successful partnerships we have had have been with NGOs, with governments, with other companies. When something like Ebola happens, we put resources together and things happen – we get results. Why can we do that when there is an emergency but we cannot on some of the key challenges that we face?"

Such a way of thinking might not come easily, said Nabarro. "It is incredibly complicated," he said. "It does not fit with the way many of us have been taught or have learnt or have conducted our lives. Most of us are specialists. But the 2030 agenda says thank you for specialism but please work horizontally."

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CONCLUSION

To achieve the SDGs, money will of course be necessary – and large amounts of it. But more important than trying to achieve financial targets could be innovative approaches to business and social goals – both in the industrialised world and developing countries. That means projects to attract investors; an economic and political climate to reassure them; and an increased willingness by actors to take into account multiple goals and considerations.

“The long-term nature of this process means that we need to be patient but we need to be determined,” said **Barbara Smith**, Deputy Assistant Administrator at the US Agency for International Development. “Each country context is unique.”

Every company, every investment house has to see that it is their responsibility.

David Nabarro, United Nations Special Adviser on the 2030 Agenda for Sustainable Development

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